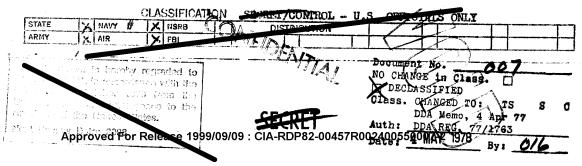
DATE OF INFO

SUPPLEMENT TO 25X1X6 REPORT NO.

- 1. The Yugoslav Five Year Plan contemplated the addition of several units to the Navy and the mercantile fleet, including 25 units, of which ten will be assigned to the mercantile fleet and fifteen to the Navy. The new units will be modern in every detail. The majority of these ships will be built in the near future at the "3 May" naval yards at Fiume. This plant was completely destroyed during the war, but reconstruction work commenced soon after the end of the war. At present many buildings and workshops have been completely repaired, while others are being equipped with modern machinery for the construction of naval craft. During the war the dry dock was damaged, but it has been repaired and improved.
- 2. The dockyards at the present moment are in full operation. The employees work on three 8 hour shifts. In May 1948 the largest and most modern liner every built in Yugoslavia (the ZAGREB) was launched from this yard. The steam engines of this ship were built by Yugoslav engineers with Yugoslav raw materials. A few months later the SKOPLJE was launched. The steam engines of the SKOPLJE were built at the "3 May" dockyards.
- The construction of a large crane was begun at this plant before the war. After the end of the war, the crane could not be completed because whe blueprints had been stolen. However, the crane has now been completed on plans prepared by Yugoslav engineers. This is the most powerful crane in Yugoslavia.
- 4. On the advice of a special commission which inspected the dockyards at the beginning of 1949, the Ministry of Marine has decided to start in the spring of 1949 the modernization and enlargement of the plant. It is expected that this work will take three years. When completed, the dockyard will be able to build larger ships as well as to construct the necessary machinery. The plant is already producing large machines and precision instruments for ships currently under construction. The Yugoslav Government thus hopes that in the future all the ships and relative machinery required by the Yugoslav Navy and mercantile firms, will be built in their country.
- 5. The cost of the enlargement and modernization of the dockyards will be about 150,000,000 dinar. The majority of the machinery to be installed on the new ships will be of Yugoslav make, while a few others will be



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purchased abroad. During the current year it is planned to build several large ships for the Yugoslav mercantile fleet, as well as two 10,000 ton units for the Yugoslav Navy, which should be completed by the end of 1949. The ships for the merchant marine fleet will be between 4,000 and 8,000 ions; two of them will be used as passenger liners in trans-oceanic service.

